



Local News

Tornado victims to get more funds

By MARK WILSON

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About 20 people from the tornado-devastated Eastbrook Mobile Home Park will receive additional insurance settlements and supplemental payments from a Florida-based insurance company.

The additional payments are the result of a settlement American Bankers Insurance Co. of Florida reached with the Indiana Department of Insurance concerning complaints about how the company handled claims in the wake of the November 2005 tornado.

The twister killed 20 people in the mobile home park southeast of Evansville and another five people in Warrick County.

American Bankers Insurance also agreed to pay the state a \$37,500 fine and make a \$50,000 charitable donation to the Southwestern Indiana Chapter of the American Red Cross, said Carol Mihalik, the department's chief deputy commissioner.

Mihalik said state officials took issue with the way that the company handled claims compared with other insurers.

"Other companies sent out claims adjusters right away, skilled, competent adjusters who knew what they were doing," she said. "Many companies were writing people checks on the spot."

Instead of sending people out to work with those affected, Mihalik said, the company mailed disposable cameras to Love Homes, the mobile home seller for the park, and had Love Homes' sales agents take pictures of the outside of damaged homes.

The insurance company's agent, HomeFirst Agency, then used the photographs to adjust the insurance claims - including content claims.

Other complaints included delays in claim processing and not employing trained insurance adjusters.

Indiana Department of Insurance Commissioner James Atterholt said that type of response was unacceptable.

"Because of this company's practices, some residents received as little as 10 percent of what they should have on their claims," he said.

He said he hopes the agreement with American Bankers will send a message that insurance claims should be handled in a fair, professional and timely manner.

"We regret that there were some problems in how these claims were initially handled," said Jim Sykes, a company spokesman. "However, once we became aware of the complaints, we assumed direct responsibility for the adjustment process and dispatched a vice president of claims to Evansville to personally take charge."

In the settlement order with the company, state officials noted that the company did take extensive remedial action by meeting with the affected property owners and state officials and reviewing and adjusting losses.

"In fact, in many cases, we have paid out amounts that were in excess of policy requirements," Sykes said.

As part of the settlement, the company also agreed to use only third-party claims adjusting companies to adjust future claims on policies sold by HomeFirst Agency.

Mihalik said American Bankers is the only insurance company that the state had to take formal action against as result of complaints stemming from the tornado. from Page B1

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